

2 Calif. insurers to cover therapy for autistic children

15 July 2011, By Duke Helfand and Alan Zarembo, Los Angeles Times

Two of California's largest health insurers have agreed to pay for costly behavioral therapy for thousands of autistic children - services the companies have long resisted covering.

Under pressure from regulators, Blue Shield of California and Anthem Blue Cross said they would pick up the initial cost of a treatment known as applied behavior analysis.

Insurers, worried about rising demand for expensive services as the number of autism cases grows, have argued that the therapy is not a medical treatment but an educational or social service exempt from coverage.

Anthem and Blue Shield settled their dispute with the California Department of Managed Health Care to avoid penalties or other enforcement actions, officials said. The companies agreed to the settlements but acknowledged no wrongdoing.

Both insurers have agreed to cover a minimum of six months of treatment for HMO patients as long as the services are deemed "medically necessary" by healthcare providers and offered under the supervision of licensed professionals.

Blue Shield signed its agreement Monday, and a state spokeswoman said Anthem had agreed as well and planned to sign Friday. A similar deal is in the works with the Kaiser Permanente HMO.

Edward Heidig, interim director of the state managed health care department, said the agreements would provide long-overdue help for the families of nearly 18,000 California children affected by the deals. He called the move a "positive step towards mending the broken system for California families dealing with this issue."

Even as the settlements were made public, a second state regulator - the Department of Insurance - took action on behalf of some autism

patients covered by insurance policies that the department regulates.

The insurance department accused Blue Shield of violating state law by denying coverage for the behavioral therapy and ordered executives to explain. The insurer told the department in response that the therapy was not covered by its policies.

Children with autism lack social and communication abilities and engage in repetitive and sometimes destructive behavior.

Applied behavior analysis, one of most popular autism therapies, trains youngsters in the skills that most people pick up in the course of normal development, such as making eye contact or identifying colors. Typically, a therapist sits across a small table from a child, using praise and scolding to shape behaviors.

The therapy is often paid for by school districts and the state Department of Developmental Services, but autism advocates say state budget woes could result in more families asking insurance companies to pick up the bill.

One autism activist said she was pleased the insurers would no longer deny requests for coverage but said the agreements give insurance companies a loophole by narrowly defining who can deliver the services.

Kristin Jacobson of the Alliance of California Autism Organizations said California has a shortage of licensed professionals who can provide the therapy.

The agreements, she said, are "not going to resolve the issue for the vast majority of people who need the services."

The therapy is often prescribed for up to 40 hours

a week and can cost \$70,000 a year or more per child in some cases.

At least two dozen states have mandated coverage for autism, sometimes including the applied behavior analysis method. In California, state law requires insurers to provide the same level of benefits for mental disorders, including autism, as for physical ailments. But the law does not specify what type of therapy to use.

A bill now being considered by the state legislature would do just that, naming applied behavior analysis as a covered therapy. Regulators and insurers said the new agreements were meant to help families in the short term.

While admitting no violation of law in their agreements with the state, the insurers said the settlements resolved the dispute for now. Anthem said the agreements would "reduce uncertainty for families trying to access behavioral and medical treatments for autism and related disorders." A Blue Shield spokesman said its settlement protects consumers while various legal issues are resolved.

Audrey Lee, who heads the group Los Angeles Families for Effective Treatment of [Autism](#), said six months of treatment is only the beginning for most children. Her son, now 5, has been receiving the [behavioral therapy](#) for nearly three years, and she expects that he will continue for at least two more.

In her case, as with many others, the state Department of Developmental Services pays for it - at least for now.

"People don't have confidence that the state of California is going to take care of them," Lee said. "Parents see insurance as the wave of the future as far as funding."

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